

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7055**

**BILL NUMBER:** HB 1489

**NOTE PREPARED:** Dec 30, 2002

**BILL AMENDED:**

**SUBJECT:** High Speed Rail Funding.

**FIRST AUTHOR:** Rep. Kersey

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that for state FY 2004, the Sales Taxes normally deposited in the Industrial Rail Service Fund are to be deposited in the High Speed Rail Development Fund instead. It requires the Indiana Department of Transportation (INDOT) to use the money to conduct environmental impact studies required for the development of high speed rail.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary:* It is estimated that the state Sales Tax normally deposited in the Industrial Rail Service Fund will amount to \$1.63 M in FY 2004. For the one fiscal year, this amount will be deposited into the High Speed Rail Development Fund to be used by the Department of Transportation to conduct environmental impact studies required for the development of high speed rail. Providing money for the High Speed Rail Development Fund is one of six purposes for which money in the Industrial Rail Service Fund is currently used. The estimated \$1.63 M for FY 2004 would not be available for use by the Department of Transportation for items (1), (2), (3), (5), and (6) listed below as uses for the Industrial Rail Service Fund monies.

*Uses for the Industrial Rail Service Fund (Part of IC 8-3-1.7-2):*

The Industrial Rail Service Fund shall consist of money distributed to the fund by IC 6-2.5-10-1 and IC 8-3-1.5-20. Amounts held in the fund may only be used to do the following:

(1) Provide loans to railroads that will be used to purchase or rehabilitate real or personal property that will be used by the railroad in providing railroad transportation services.

- (2) Pay operating expenses of the Indiana Department of Transportation, subject to appropriation by the General Assembly.
- (3) Provide \$50,000 annually to the Indiana Department of Transportation for rail planning activities. Money distributed under this subdivision does not revert back to the state General Fund at the end of a state fiscal year.
- (4) Provide money for the High Speed Rail Development Fund under IC 8-23-25.
- (5) Provide grants to a railroad owned or operated by a port authority established under IC 8-10-5.
- (6) Make grants to a Class II or a Class III railroad for the rehabilitation of railroad infrastructure or railroad construction.

*Uses for the High Speed Rail Development Fund (IC 8-23-25-1):*

Sec. 1. The High Speed Rail Development Fund is established for the purpose of promoting and developing high speed rail travel in Indiana.

Sec. 2. The Department of Transportation shall administer the fund.

Sec. 3. The Treasurer of State may invest the money in the fund in the same manner as other public funds may be invested.

Sec. 4. Money from the High Speed Rail Development Fund may be disbursed to the Interstate Rail Passenger Advisory Council under IC 8-3-19-2.

Sec. 5. Money in the fund at the end of a fiscal year does not revert to the state General Fund or to the Industrial Rail Service Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Transportation.

**Local Agencies Affected:** Units who might have been eligible to receive distributions from the Industrial Rail Service Fund during state FY 2004.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.